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DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

INFORMATIONAL LETTER NO. 879

DATE: March 15, 2010

TO: Iowa Medicaid Enrolled Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs)

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise

RE: Clarification on FQHC and RHC Billing – Use of T1015 Encounter Code

This informational letter is to **further** clarify the proper billing process for FQHC and RHC providers related to use of the FQHC and RHC encounter code T1015. This code must be used for all FQHC and RHC encounters, regardless of the underlying service(s) that are provided in any given encounter. The T1015 encounter code must always be billed on the first claim line. No other procedure code is intended to be payable to FQHCs or RHCs. The encounter rate paid to each FQHC or RHC is and has always been intended to be "all-inclusive" of any/all services rendered for a given date of service and member.

Specific Issues for FQHCs

FQHCs were instructed in Informational Letter (IL) 796 (April 2009) to provide additional information on their claims about specific types of services they are providing. In particular, that IL instructed FQHCs that in addition to billing the T1015 encounter code on the first claim line, they should also reflect on the second and subsequent claim lines the applicable specific procedure code(s) for dental, EPSDT screening, and similar services as **"informational only" and billed at $0.00**. IL 796 noted that while those additional claim lines will deny, the information about the services rendered will still be captured for federal/reporting and tracking purposes. IL 796 did not instruct FQHCs to bill these other codes instead of the T1015 encounter code, only in addition to the encounter code.

Relative to dental services, FQHCs have always been able to bill for such services, so long as providing them is part of their HRSA (CMS) certification. Information in the FQHC provider manual (circa July 1, 2003) indicated that FQHCs should use dental code D0120 to report a dental encounter. The provider manual further instructed FQHCs to use the "U7" modifier with D0120 if a dental treatment (not a preventive service) was provided. However, as noted above, IL 796 clarified an FQHC dental visit (either for "treatment" or "preventive services") is still an FQHC **"encounter"** and that FQHCs need to bill such encounters with the T1015 "encounter" code on the first claim line. The D0120 code is no longer considered an "encounter code" for dental services. D0120 is now defined as a periodic oral evaluation. **FQHCs providing both dental and medical services on one day will bill and be paid only one encounter for that day**.

The IME has received recent inquiries from FQHCs about claims for which denials have been received, where a dental procedure code was billed on the first claim line, instead of the required T1015 encounter code. These providers have indicated that claims submitted in this manner have previously paid, but are now being denied. These recent denials are due to updated system edits and related changes to various procedure codes. **The updated system edits now disallow any FQHC claim that does not have the T1015 encounter code on the first claim line**. There were also a number of different procedure codes that erroneously included FQHCs (provider type 49) as "valid" providers for those codes. Those procedure codes have now been updated in the MMIS system to remove FQHCs as a valid provider type. The only valid procedure code for payment of services by an FQHC is the T1015 encounter code.

The prior system edits and coding designations allowed otherwise non-payable FQHC claims to nonetheless pay in error. Once uncovering these circumstances, the IME made the changes noted above to assure FQHCs were only being paid for the T1015 encounter code. However, in making these changes, the IME will not go back and recoup any payments made in error. Although with these system changes now in place, the IME will no longer allow claims with anything other than the T1015 encounter code billed on the first claim line to pay.

Any denials that FQHCs have received recently can be resubmitted with the correct T1015 encounter code billed on the first claim line. The service originally billed on the first claim line that caused the denial should still be indicated on the second and subsequent claim line(s), as noted above, as informational and appropriate. Any re-submitted claims would still need to meet otherwise applicable timely filing (re-filing) guidelines. The IME will not be re-submitting or "special-batching" these uncorrected claims to be paid.

RHCs

The issues noted above primarily affect FQHCs, particularly with respect to dental services. However, to the extent RHCs might render specific services for which the IME has a need to track for utilization and/or federal reporting, such as EPSDT screenings, application of fluoride varnish on children, etc. they too should follow the same billing protocol noted above to report these services as "informational" only.

FQHCs and RHCs – Family Planning Waiver (IFPN) Services

Pursuant to IL 485 (February 10, 2006), FQHCs and RHCs were instructed to bill for any services rendered to Iowa Family Planning Network (IFPN) members differently than how they would normally bill for FQHC and RHC services. In particular, **FQHCs and RHCs were instructed to use normal CPT/HCPCS codes for any such services, not the T1015 encounter code**. When billing IFPN services the FQHC/RHC is not the billing entity. The service must be billed by the treating practitioner such as a physician or ARNP. FQHCs and RHCs were further informed that payment for any IFPN services would be based on the Iowa Medicaid physician fee schedule for such services, not their normal FQHC of RHC encounter rate. FQHCs and RHCs were also instructed that any such IFPN visits and corresponding payments may not be used in establishing the FQHC or RHC encounter rate for subsequent cost-reporting years. Any such visits may not be counted as Medicaid visits and revenue must be treated as any other private/commercial insurance payment. Nothing under this current IL and corresponding instructions changes these limitations and requirements related to billing for IFPN services.

The IME appreciates your partnership as we work together to serve the needs of Iowa Medicaid members. If you have any questions regarding billing for these services, please contact the IME Provider Services Unit, 1-800-338-7909 locally 515-256-4609 or by e-mail at imeproviderservices@dhs.state.ia.us

If you have any questions regarding your enrollment or certifications, please contact IME Provider Enrollment at 1-800-**338-7909** (option **2**), locally 515- **256-4609** (option**2**).